

Congress of the United States
Washington, DC 20515

September 16, 2003

The President
The White House
Washington, DC

Dear Mr. President:

As members of the Michigan congressional delegation, we are writing to you with an issue that is critical to the economic well being of our state – the need to eliminate the Section 201 steel tariffs imposed on March 5, 2002.

As you know, manufacturing is the backbone of Michigan's economy, representing 16.6 percent of the state's workforce. For the 794,795 workers in the state's steel consuming industries, a market-based price for steel products is essential. With the Section 201 steel tariffs in place, this is not possible.

The unintended consequences of the Section 201 tariffs have resulted in damage to steel consuming industries. We recognize this was not your intent when you made the decision to impose the tariffs, but this nonetheless has been the effect. The Section 201 steel tariffs have caused some steel consumers, notably in the electronics and automotive parts and components industries, to move production offshore or buy finished steel products and import them from offshore. In addition, many small manufacturers do not have this flexibility so they are forced to suffer losses or consider closing their business.

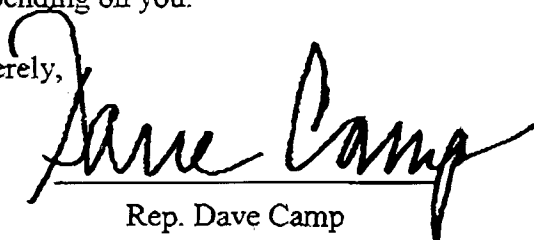
The manufacturing sector in Michigan, as in the rest of the country, has been under extreme pressure. Seventy percent of job losses since 2000 have been in manufacturing. While many of the issues limiting the growth of the manufacturing sector in the United States, such as health care costs, pension liabilities, and regulatory burdens, require long-term solutions, eliminating the steel tariffs would provide an immediate and much-needed boost.


We are hopeful that the combination of tax relief and low interest rates will aid the manufacturing sector. Unfortunately, the damage caused to steel consuming industries in Michigan by the Section 201 steel tariffs has obscured the positive aspects of your economic program. The connection between the tariffs and the pressure they have created to shift sourcing of finished and intermediate steel products – and manufacturing jobs with them – is becoming clear to the people of Michigan.

We strongly urge you to eliminate the Section 201 tariffs at the earliest opportunity. The economy and workers of Michigan are depending on you.


Sincerely,



Rep. Joe Knollenberg


Rep. Dave Camp

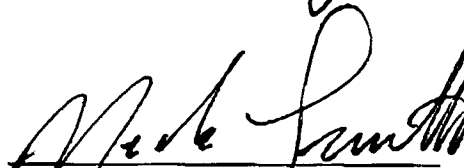

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